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C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 000570

SIPDIS

STATE FOR SCA/CEN

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TAGS: [PGOV](#) [EAGR](#) [ECON](#) [SOCI](#) [IR](#) [TX](#)

SUBJECT: TURKMENISTAN: MAGTYMGULY SHELTERED FROM ECONOMIC  
WOES

REF: ASHGABAT 0536

Classified By: Charge d'Affaires Sylvia R. Curran for reasons 1.4(B) and (D).

¶1. (C) SUMMARY: Although life seems increasingly tough in most of Turkmenistan's agricultural areas, the district of Magtymguly, located west of Ashgabat close to Turkmenistan's border with Iran, seems to be weathering the country's inflation and unemployment slightly better than other rural areas. This may be because the district has an unusual number of small cottage industries, made possible by the area's sub-tropical climate and a strong focus on growing produce, rather than cotton and wheat. As the town prepares to host an international conference in honor of the works of its most famous son -- Turkmenistan's poet, Magtymguly -- it is getting a new facelift. Meanwhile, we have been unable to find any information confirming one resident's assertion that President Berdimuhamedov recently turned over a small portion of Magtymguly to Iran at President Ahmadinejad's demand. END SUMMARY.

¶2. (SBU) The town of Kari-kala, which under former President Niyazov was re-named Magtymguly after its most famous (poet) son, is the capital of Magtymguly District, located in the mountains on Turkmenistan's border with Iran in Balkan Province. Unlike its neighbor, Etrek, which clearly is trying against tough odds to scratch out a living in the desert (reftel), Magtymguly is a green, well-established town reached by mostly decent-to-good roads. Also unlike Etrek, there were substantial numbers of young people, ranging from school age to early thirties, everywhere, as well as healthy volumes of automobile traffic and a bazaar that was reasonably busy early in the morning. Despite the economic woes that are visibly beginning to bite deeply into the pocket books of citizens throughout most of Turkmenistan, many young Magtymguly residents clearly can still find a livelihood without having to migrate to Turkmenistan's other, larger cities. Still, EmbOff saw few new homes and no signs of real affluence.

FOCUS ON GROWING PRODUCE, RATHER THAN COTTON

¶3. (SBU) As a result of its sub-tropical climate -- unique in Turkmenistan -- Magtymguly's many farmers focus on growing

fruits and vegetables, rather than solely the wheat and cotton that have been the main source of income for farmers throughout most of the rest of Turkmenistan. A state agricultural research institute established during the Soviet era that avoided closure under Niyazov continues to focus on growing sub-tropical plants, identifying new medical and food uses for those plants, and assisting Magtymguly's farmers to develop wider-scale production of the most promising. The institute takes pride in the "purity" of much of its seed stock, which has been carefully gathered from around the world. The institute's director claimed that the institute is protecting up to 500 different varieties of grapes alone, along with jujubes, pomegranates and a host of other, lesser-known plants. The combination of the institute's work and the unusually strong focus on production of fruits and vegetables has given a boost to development of a series of small-scale entrepreneurial food processing cottage industries that bolster the income brought by agriculture -- the district's economic mainstay -- and the Turkish joint-venture textile factory on the town's outskirts.

#### MAGTYMGULY CONFERENCE MAY BRING PRESIDENT TO TOWN

¶4. (SBU) Almost all houses were freshly whitewashed and there was painting going on everywhere. The town's museum was closed for renovation. The energetic 38-year-old deputy district head responsible for culture, education, sports and tourism, a Magtymguly native who had studied chemistry in Ashgabat, told EmbOff that her town is preparing to host an international conference on the works of Magtymguly. Because

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the president may make an appearance, everybody is getting involved in sprucing up the town.

#### DISTRICT HEADS STAYING BUSY WITH INCREASED RESPONSIBILITIES

¶5. (SBU) Apologizing for the district head's absence, she told EmbOff April 25 that the president has given to district heads new responsibilities for overseeing sales of farmers' cotton and wheat, coordinating payments to the farmers with the farmer's associations, and overseeing programs being carried out in the district under the president's new rural development plan. Because of this, the district head is now extremely busy and is spending more time in the not-too-distant town of Serdar, the main center for cotton in the region, than he is in Magtymguly. This is increasing a load on the deputy district heads, who are picking up more of the day-to-day responsibilities in the district head's absence.

#### MAGTYMGULY'S INFRASTRUCTURE BENEFITS FROM RURAL DEVELOPMENT

¶6. (SBU) When asked about the changes that the president's rural development plan is bringing to her town, the deputy district head was mostly positive. Although Balkan province is getting less than any of the other provinces because its hydrocarbon reserves make it "rich," Magtymguly, as one of the province's three major agricultural districts (along with Etrek and Serdar districts), is still getting at least some funds. The government is building a natural gas line to supplement the insufficient volumes of gas that the province is currently receiving. The province is also receiving a new district government building, new schools and a new medical clinic. The deputy district head hoped that the district would be able to build on the new infrastructure projects and Magtymguly's natural beauty, clean air and cooler temperatures to make Kari-kala into a spa town for those seeking medical treatments -- or seeking a change from the fast pace in Turkmenistan's larger towns.

#### RUMOR ON CHANGES TO THE BORDER WITH IRAN QUASHED

¶7. (C) Wandering over to a map of Magtymguly Province hanging on the wall, EmbOff asked the deputy district head about the district's relations with Iran. The deputy

district head responded that relations are fine, since many of the people in Magtymguly have relatives and family members living in northern Iran. However, family visits are not easy, since people can only cross the border in Etrek, more than 200 kilometers away. Pointing to some of the villages laying along the border, EmbOff asked whether there are any unofficial crossing points in those villages -- perhaps foot paths or country roads. The deputy head responded negatively, saying that since Turkmenistan's border with Iran is one of the country's earliest borders to be delimited (in the 1940's) -- and since it was one of the Soviet Union's borders -- the border in Magtymguly is "solid" and has no holes. She also stated that there have been no changes to the border line since the Soviet-era delimitation. (COMMENT: Post had heard from one farmer whose home is in the area that the village of Konekesir, located on the border in one of the most inaccessible parts of Magtymguly, was recently split when Iran's President Ahmadinejad demanded that part of the village be turned over to Iran, even though this violated the line of demarcation. Berdimuhamedov, apparently not wishing to provoke his neighbor, reportedly agreed to the demand. This story is interesting for nothing else than how some people may see the relationship (and relative strength or toughness) of the two rulers. END COMMENT.)

18. (SBU) COMMENT: Magtymguly's real blessing may have been the relatively little impact that Niyazov's policies seem to have had on the town. Although we understand that the recent inflation hitting Turkmenistan is taking a serious toll on farmers (the individuals who have always lived closer to the edge in terms of economic survival than most urban residents)

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Magtymguly seems to be in just slightly better shape thanks largely to the existence of an entrepreneurial base. As Turkmenistan increasingly turns to a market economy, the question will be how to build on the minor successes of local businessmen to promote genuine prosperity. END COMMENT.  
CURRAN